Message Text

SECRET

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ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 PM-03 SP-02 L-01

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R 281235Z MAR 75

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 2292

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMCONSUL LOURENCO MARQUES

AMCONSUL LUANDA

AMEMBASSY MADRID

AMEMBASSY PARIS

USMISSION NATO

DIA WASHDC

USCINCEUR VAIHINGEN GER

AMCONSUL OPORTO

AMCONSUL PONTA DELGADA

SECRETLISBON 1784

LIMDIS

E.O. 11652: XGDS4 TAGS: PINT, PO

SUBJ: POPULAR DEMOCRATIC PARTY LEADER ASKS FINANCIAL SUPPORT

SUMMARY: A LEADING MEMBER OF THE POPULAR DEMOCRATIC PARTY HAS APPEALED FOR FINANCIAL SUPPORT FOR THE PARTY. HIS COMMENTS INDICATE THAT HE PPD HAS SERIOUS ORGANIZATIONAL PROBLEMS AND A LACK OF CONTACT WITH THE AFM. END SUMMARY.

1. DR. VASCO GRACA MOURA, A LEADING FIGURE OF THE OPORTO BRANCH OF THE POPULAR DEMOCRATIC PARTY (PPD) AND NEWLY APPOINTED SECRETARY OF STATE FOR SOCIAL SECURITY, HAS MADE PERSONAL APPEAL TO EMBOFF FOR FINANCIAL ASSISTANCE FOR PARTY'S ELECTORAL CAMPAIGN. STATED HE DOING SO WITHOUT PPD AUTHORIZATION BUT PARTY'S FINANCIAL SITUATION IS DESPARATE. FIVE HUNDRED THOUSAND DOLLARS SECRET

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(\$500,000) PERHAPS FUNNELED INTO ONE OF PARTY'S FUND-RAISING

DRIVES WOULD BE DECISIVE. (COMMENT: CLOSE AIDE TO PPD LEADER MAGALHAES MOTA TOLD EMBOFF MARCH 25 THAT A PPD ENVOY AT THAT MOMENT WAS IN WEST GERMANY ON A FUND-RAISING MISSION. THE PPD HOPED VISIT WOULD RESULT IN OBTENTION BY PARTY OF CLOSE TO ONE MILLION US DOLLARS. OTHER PPD FUND RAISERS ARE NOW IN THE US) GRACA MOURA CLAIMED NATIONALIZATION OF BANKS, AND MILITANCY OF BANK WORKERS UNIONS, HAS COMPLICATED PPD'S FINANCES AND MAKES IT DIFFICULT TO OBTAIN DONATIONS FROM SUPPORTERS. PPD HAS BEGUN SELLING NON-REIMBURSABLE "BONDS" TO PARTY SUPPORTERS WITHIN PORTUGAL. WE UNDERSTAND SALES HAVE NOT BEEN BRISK, ONLY US \$80,00 WORTH HAVING BEEN SOLD BY LAST WEEK. EMBOFF TOLD GRACA MOURA THAT HE WOULD REPORT THE APPROACH BUT THAT SUPPORT BY USG FOR A POLITICAL PARTY WOULD BE IMPROPER INTERVENTION IN PORTUGUESE AFFAIRS.

- 2. GRACA MOURA THEN ASKED WHETHER PPD COULD OBTAIN ADVANCE INFORMATION ON CAMPAIGN TACTICS OF COMMUNIST PARTY SO THAT THEY COULD PREPARE THEIR RESPONSE. EMBOFF LIMITED REPLY TO SUGGESTING USEFULNESS OF CONTINUING INFORMAL CONTACTS.
- 3. OTHER STATEMENTS BY GRACA MOURA ABOUT PPD REVEAL THAT SECRETARY-GENERAL SA CARNEIRO IS RECUPERATING SLOWLY FOLLOWING HIS OPERATION AND NOW WEIGHS ONLY 88 POUNDS. PROBABLY THAT SA CARNEIRO WILL LEAVE PORTUGAL FOR MEDICAL CONSULTATION BUT HE DELAYED HIS DEPARTURE SO THAT IT WILL NOT APPEAR RELATED TO MARCH 11 COUP. IN SPITE OF HIS WEAKENED CONDITION PPD HOPEFUL SA CARNEIRO WILL RECOVER SUFFICIENTLY TO MAKE APPEARANCE DURING CAMPAIGN.
- 4. GRACA MOURA MAINTAINS THAT PPD HAS NATURAL ALLIES IN EUROPEAN CHRISTIAN DEMOCRATIC PARTIES. MUCH OF PPD PLATFORM CONSISTENT WITH VATICA II, AND EUROPEAN CHRISTIAN DEMOCRATS ADMIRE SA CARNEIRO. UNFORTUNATELY, LINKS WERE LOST WHEN PORTUGUESE CHRISTIAN DEMOCRATIC PARTY(PDC) FORMED AND IT IS TOOL LATE TO PICK THEM UP AGAIN AT THIS TIME.
- 5. PPD ORGANIZATION "DRIFTED" UNTIL JANUARY AND IS STILL POOR.
 GRACA MOURA CLAIMS HE WRITES MOST OF PARTY'S STATEMENTS IN
 OPORTO, SOMETIMES COORDINATION WITH DISTRICT AND REGIONAL
 COMMITTEES. LIAISON WITH LISBON BRANCH OF PPD IS SPORADIC AND
 TWO OFFICES OPERATE SEMI-AUTONOMOUSLY WITH INDEPENDENT BUDGETS.
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INDICATIVE OF PPD'S FINANCIAL PROBLEMS IS THAT OPORTO PPD BUDGET FOR SOUND TRUCK ADVERTISING FOR ONE RECENT MONTH WAS \$60. DURING SAME MONTH COMMUNIST PARTY PAID \$80,00 TO SAME ADVERTISING AGENCY. LISBON BRANCH OF PPD NEEDED TO MAKE URGENT APPEAL TO OPORTO FOR ASSISTANCE TO PAY \$680 TELEPHONE BILL.

6. PPD'S LACK OF CONTACT WITH ARMED FORCES MOVEMENT (AFM)
REVEALED BY GRACA MOURA'S APPEAL THAT EMBASSY LET MILITARY

KNOWN THAT PPD "DOESN'T WANT THEIR HEADS." HE CLAIMED SOME OFFICERS IN AFM FEAR THAT THE PPD IS "OUT TO GET THEM", SOMETHING WHICH IS NOT THE CASE.

7. GRACA MOURA IS PESSIMISTIC REGARDING FUTURE, SEEING SOME KIND OF AUTHORITARIAN GOVERNMENT BEING NECESSARY TO RESTORE ORDER AND RESOLVE PORTUGAL'S PROBLEMS.

8. COMMENT: GARACA MOURA IS OF OPORTO LIBERAL, INTELLECTUAL TRADITION. HIS SURPRISING ADVOCACY OF AN AUTHORITARIAN GOVERNMENT IS THEREFORE EVIDENCE OF HOW FAR HE BELIEVES POLITICAL SITUATIONHAS DETERIORATED.
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Subject: POPULAR DEMOCRATIC PARTY LEADER ASKS FINANCIAL SUPPORT SUMMARY: A LEADING MEMBER OF THE POPULAR **DEMOCRATIC PARTY HAS**

TAGS: PINT, PO, US, POPULAR DEMOCRATIC PARTY, (MOURA, VASCOGRACA)

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